



Kingsgate

Consolidated Limited

ABN 42 000 837 472

18 February 2014

Manager

Company Announcements Office

Australian Securities Exchange

Financial Results and Appendix 4D for the Half-Year Ended 31 December 2013

Kingsgate has recorded the following financial performance for the half year to 31 December 2013:

- **Revenue of \$165.1 million.**
- **EBITDA* (before significant items) of \$27.9 million.**
- **Statutory loss after tax of \$4.9 million.**
- **Gross cashflow from operations for the half-year of \$41.5 million.**
- **Higher gold sales (+19%) offset by lower gold price received.**
- **Investment and capital expenditure reduced by 62%.**
- **Corporate debt facilities restructured and a total of ~\$17 million repaid**

Gold sales for the half-year were up 19% to 108,610 ounces (1HFY13: 91,480 ounces) with higher production from both Chatree and Challenger. This was more than offset by the lower realised gold price of US\$1,297 per ounce (1HFY13: US\$1,663 per ounce). Gross operating cashflow for the half-year was \$41.5 million despite the lower gold price. Investment and capital expenditure was reduced by 62% following the implementation of cost reduction initiatives following the volatility in the gold price.

During the half-year the Kingsgate Group repaid approximately A\$17 million of its outstanding debt. At year end, Kingsgate had A\$44 million outstanding under its current corporate facilities, down from A\$55 million at the end of the September quarter. Kingsgate has completed the documentation for a restructure of its corporate debt facilities and following the satisfaction of Conditions Precedent, expected during the current quarter, Kingsgate's corporate debt will reduce to A\$40 million under one new corporate debt facility. In addition, approximately US\$119 million is outstanding under the Kingsgate's Thai operating subsidiary Akara Resources PCL ("Akara") loan facility following the initial repayment of US\$5.6 million in November.

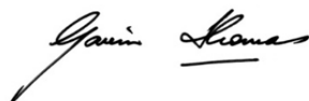
The two development projects continued to advance during the year. For the Nueva Esperanza silver/gold project in Chile, the Definitive Feasibility Study (DFS) was well advanced during the half-year with completion of the DFS expected by the end of March 2014.

At the Bowdens silver project in New South Wales, the feasibility work will continue in 2014 in parallel with the preparation of the Environmental Impact Statement (EIS).

Outlook

Kingsgate is on track to meet gold production guidance for the 2014 financial year following the strong first half. Group production guidance for the year remains at 190,000 to 210,000 ounces including 120,000 to 130,000 ounces from the Chatree gold mine in Thailand and 70,000 to 80,000 ounces from the Challenger gold mine in South Australia.

Kingsgate continues to pursue strategies to adapt to the volatile operating environment for gold producers with the focus to remain on operating efficiencies and cost saving initiatives in order to maximise shareholder returns. This may also include consideration of partners for development projects and potential rationalisation of the asset base.



Gavin Thomas
Managing Director and CEO
Kingsgate Consolidated Limited

IMPORTANT NOTICES

Caution regarding forward-looking statements

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this release. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

Past performance not indicative of future performance.

Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

**EBITDA*

EBITDA before significant items is a financial measure which is not prescribed by International Financial Reporting Standards (IFRS) and represents the profit under IFRS adjusted for specific significant items. The EBITDA before significant items has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying half financial report.